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Foreign CROPS AND MARKETS

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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

LATE NEWS

Dry edible pea production is slightly larger this year than last in both North America and Western Europe. The crop, however, has been damaged by unfavorable harvest weather in certain countries, and production is down sharply in some of the principal importing countries. Thus the current demand for peas for importation is unusually active. The United States is one of the world's largest exporters of dry peas.

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United States exports of cotton in September, 1954 totalled 209,000 bales of 500 pounds gross (199,000 running bales) making a total of 407,000 bales for August-September, 1954. The principal destinations in September, 1954 were France 38,000 bales; the United Kingdom 34,000; Japan 29,000; Western Germany 25,000; Italy 17,000; and Canada 13,000.

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United States imports of cotton for consumption in September, 1954 amounted to 7,000 bales (480 pounds net) including 3,000 bales from Egypt; 2,000 from Peru; and 1,000 from Pakistan.

Exports of cotton linters from the United States during September, 1954 totalled 13,000 bales (480 pounds net) compared with 6,000 bales in September, 1953. The exports in September, 1954 show Germany, Japan, and the United Kingdom receiving 3,000 bales each; Canada and France 2,000 bales each.

Imports of cotton linters into the United States in September, 1954 amounted to 18,000 bales (480 pounds net) compared with 23,000 bales in September, 1953. The principal source in September, 1954 was Mexico with 11,000 bales.

FOREIGN CROPS AND MARKETS

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FORECAST FOR EAST BENGAL'S 1954 JUTE CROP

The current jute crop in Pakistan is forecast at 1,083 million pounds. This crop, the product of 1,150 thousand acres, was reported in the East Bengal Government's "Final Estimate of the Jute Crop of East Bengal for the 1954 Season." This is an increase of only 8 percent in production but 51 percent in acreage over the 1953 crop. This year's crop consists of 824 million pounds of the Capsularis variety which is harvested in the middle of August and 259 million pounds of the Olitorius which is harvested in October.

The licensable quota for jute in 1954 was fixed at 1,230,757 acres to yield 1,680 million pounds, compared with an area of 760,245 acres harvested in 1953 and a crop of 1,001 million pounds. An excess of 73,698 acres was planted and, according to law, was to be destroyed. Only 27,940 acres had actually been destroyed by the end of July, but floods in last weeks had destroyed an additional 41,880 acres. With an excess of only 3,878 acres remaining, the Jute Regulation staff of East Bengal was ordered to stop further Government destruction. The disastrous floods in August, however, destroyed a further 84,420 acres of growing jute and left a total acreage even smaller than originally planned.

Both yield and quality of the crop were hurt by the heavy floods. Jute on nearly 113,000 acres was partially damaged, affecting at least 8 districts. Only a 30 percent yield was realized in these damaged areas. Quality suffered from the harvesting of jute while still immature because of submersion under flood water, threat of flood destruction, and serious damage caused by flood.

The average crop also suffered considerably and grew poorly due to extended drought at the time of planting, drought damage to crops planted early, large areas planted late due to late showers in 8 districts, continued showers during June which hampered intercultural operation and stunted plant growth, and flood damage. Yield per acre varied from 400 pounds to 1,320 pounds, varying with variety and district. The overall average was 940 pounds per acre, compared with 1,316 in 1953.

U.K. TO DECONTROL CANNED FRUITS

Announcement has been made that the United Kingdom Imported Canned Fruit Order, 1950, as amended, has been revoked effective January 1, 1955. From that date all controls over prices and distribution will be abolished. Arrangements for imports by private trade will be announced by the Board of Trade.

Under control Australia and South Africa supplied practically all British imports of canned apricots, peaches and pears.

DAIRY SITUATION IN AUSTRALIA

Milk production in Australia during the first 8 months of 1954 amounted to 7.1 billion pounds, an increase of approximately 3 percent over comparable 1953. Considerably larger quantities were used for cheese than in the earlier year. Somewhat larger supplies were utilized for butter and for milk for fluid consumption in 1954, while considerably smaller supplies were used in condensary products manufacture. Dairy products production during the January-August period of each year was as follows:

Australia: Dairy Products Production, January-August, 1954, compared with January-August, 1953

Commodity	Jan.-Aug., 1954	Jan.-Aug., 1953
	1,000 Pounds	1,000 Pounds
Butter	205,310	196,667
Cheese	52,141	46,541
Condensed and evaporated milk	38,976	47,239
Concentrated whole milk	18,776	15,203
Dry whole milk	22,033	23,630
Nonfat dry milk solids	18,720	17,053
Dry buttermilk and whey	6,702	5,027
Infants' and invalids' foods Malted milk & milk sugar	14,267	15,655

Exports of all dairy products during the first six months of 1954 were below those of comparable 1953 with the exception of nonfat dry milk solids and malted milk.

Australia: Dairy Products Exports, January-June, 1954, compared with January-June, 1953

Commodity	Jan. - June 1954	Jan. - June 1953
	1,000 lbs.	1,000 lbs.
Butter	50,453	50,655
Cheese	27,943	28,253
Condensed & evaporated milk	26,282	39,181
Dry whole milk	8,362	16,556
Nonfat dry milk solids	19,470	17,007
Infants' and invalids' foods	1,465	5,813
Malted Milk	1,978	736
Other milk products, not specified	1,929	2,316

MEXICO CUTS IMPORTS OF POWDERED MILK

Imports of powdered milk, including dry milk solids, have been drastically curtailed by Mexico. In 1953 imports approximated 19 million pounds, of which 50 percent originated in the United States; during the first quarter of 1954 imports totaled less than 5 million pounds and imports during the third quarter were said to have been reduced still further. The reduction in imports has not been due to an increase in domestic production, but rather to pressure on the part of the government to reduce imports which, it was contended, were retarding the domestic dairy industry. (See Foreign Crops and Markets for May 19, 1954.)

While Mexico has reduced its imports of powdered milk, shipments of fresh shell eggs have remained at previous levels and the takings of lard and tallow from foreign sources appreciably increased.

PORTUGAL COMPLETING MODERN DAIRY PLANT

The new modern dairy plant for Lisbon is rapidly nearing completion and is expected to be in operation by April 1955. A capacity of 227,000 pounds of milk will be run through the plant daily for pasteurization and bottling for delivery as fluid milk. If the plant maintains its capacity the per capita consumption of milk will rise considerably since the low figure of 20 pounds of fluid milk consumed per person in Portugal has been attributed to lack of processing and distribution facilities. The per capita consumption figure for the country may rise as much as 50 percent.

A new meat packing and cold storage plant has just been completed in Lisbon. The plant's freezing capacity is between 5,000 and 7,500 tons. One floor of the plant's four stories is to be used for freezing and storing of other food products brought to the plant for processing.

The meat plant cost about $4.5 million and the milk plant about $1 million; some counterpart funds were used.

UNICEF MILK FOR FAMINE AREAS IN TANGANYIKA

The first shipment of nonfat dry milk solids by the United Nations Children's Fund has been received in Dodoma, in Tanganyika, British East African area which has been hard hit by crop failure and livestock disease.

To simplify distribution of the milk powder, and because of the difficulty involved in teaching the natives the proper method of properly converting the powder to liquid, the milk powder has been mixed with maize flour. One part powdered milk and eight parts maize flour makes a mixture that has found wide acceptance among the Mgogo housewives. Government dispensaries, however, are converting the powder to liquid form for distribution as a drink to children, nursing mothers and the aged.

In the meantime, the rinderpest situation in the Lake and Western provinces continued to worsen. The infection has spread to wild game such as the impala and buffalo.

PHILIPPINE GOVERNMENT ENCOURAGES IMPORTS OF SLAUGHTER AND BREEDING CATTLE

The Government of the Philippines is planning to import 1,000 heifers for distribution to farmers to cope with the shortage of cattle for slaughter and to encourage cattle production. The Government has already asked for bids for the importation of breeding stock and it is believed that heifers will be shipped in from Pakistan, India, Thailand or Indonesia.

The program permits the Government to loan breeding cattle to farmers under an arrangement by which the farmers will turn over to the Government the first two of the offspring. After that time the cattle will belong permanently to them. Some of this breeding stock has already been made available under this loan arrangement.

Slaughter cattle are being imported from Australia and Indonesia, to augment the current meat supply in the Philippines. Private firms have brought in two shipments of approximately 600 head each from Australia and are contracting for additional shipments. Two hundred head have been received from Indonesia and it is reported that around 700 head more are to be shipped in mostly from the island of Bali. It has been necessary to import slaughter animals due in part to an order prohibiting the slaughter of carabao (water-buffalo). Numbers of these animals on farms have been reduced to such an extent that there is a shortage of work animals in the country. During the current year foot-and-mouth disease has re-occurred, disabling thousands of work animals.

In former years the Philippines were a fairly large export market for United States meat products. However, in recent years the Government has controlled United States shipments through its exchange regulations and most of its imports of meat have come from Argentina and Australia.

ARGENTINA SHIPS BEEF TO EAST GERMANY

The state trading agency of Argentina (IAPI) in September entered into an agreement with East Germany under which $20 million worth of Grain, beef, wool, and other products are to be exchanged for an equal value of East German goods. Exports from the Soviet Zone of Germany are to consist principally of electrical, radio and telephone materials, chemicals, surgical instruments and other manufactured products.

During the second quarter of 1954 cattle marketings in Argentina fell to seasonally low levels and the 70 million pounds of frozen meat held by the government as a consumer reserve were used up. Temporary shortages of meat were experienced in some of the city markets. A seasonal increase in receipts in early October brought production to a level where domestic needs were satisfied. Some exports during the coming months are anticipated as marketings increase seasonally.

EXPORTS OF CATTLE FROM COSTA RICA

A total of 4,500 cattle have been exported from Costa Rica since July 1, following the authorization of exports by the Government (see Foreign Crops and Markets, July 26, 1954). On November 3 another thousand head were exported to Peru. Shipments have included 2,500 head to the Netherlands West Indies and 330 head to Colombia.

Contracts let by the National Production Council call for the export of an additional 670 head to Colombia this year. But, it is reported that the Council does not plan to seek further export contracts until the effects of the current shipments on domestic supplies have been evaluated.

ALGERIA EXPECTS SMALLER TOBACCO CROP

The tobacco crop in Algeria is estimated at 19 percent lower for 1954 than the record crop of 1953. This was due to a combination of two circumstances: acreage was lowered 13 percent for this year's crop and the yield per acre was lower. The Algerian crop this year, as in previous years, was composed primarily of dark air-cured and sun-cured tobaccos.

Area Planted and Production of Leaf Tobacco in Algeria (Not Including Chewing)

	1952	1953	1954
1,000 acres	70	84	74
1,000 pounds	44,967	62,919	50,706

Algeria's exports of leaf tobacco have been greatly stimulated by the record 1953 crop, permitting the shipment of more tobacco to France in the first 9 months of 1954 than the total exports to all countries in 1953.

Algeria: Exports of Leaf Tobacco
by Country of Destination

Country of Destination	1952	1953	(Jan.-Sept.) 1954
	1,000 pounds	1,000 pounds	1,000 pounds
France	15,859	21,815	27,961
Belgium-Luxembourg	24	-	4
French Union	4,306	4,657	2,555
Other	3,442	1,133	2,209
Total	23,631	27,605	32,729

EXPORTS OF U.S. LEAF TO FRENCH MOROCCO LOWER IN 1953

Exports of United States leaf to French Morocco in 1953 totaled 289 thousand pounds, a drop of about 34 percent from the 435 thousand pounds shipped in 1952. This follows the declining trend of our tobacco exports to Morocco since the immediate postwar period. A major cause for this has been the shortage of dollars that could be spend for tobacco, as the case has been in many other countries. If the tentative French allocation of $750,000 for the purchase of dollar tobacco is carried out as planned an increase in French Moroccan purchases of United States leaf can be expected. The allocation is planned to cover the period July 1, 1954 through June 30, 1955.

Exports of U. S. Unmanufactured Tobacco to Morocco

Kind	1947-51	1952	1953
	1,000 pounds	1,000 pounds	1,000 pounds
Flue-Cured	175	157	87
Burley	50	-	-
Kentucky-Tenn.	182	-	-
Virginia Fire	6	-	-
Black Fat	1	-	-
Maryland	402	278	202
One Sucker	60	-	-
Cigar Leaf	183	-	-
Total	1,059	435	289

FINLAND'S UNMANUFACTURED TOBACCO IMPORTS FROM THE U. S. CONTINUED RISING IN 1953

In spite of slightly lower total imports of unmanufactured tobacco in 1953, Finland took 3.3 million pounds from the United States in 1953 compared with 3.2 million pounds in 1952. This is a result of the increasing popularity of blended cigarettes containing a large percentage of U. S. tobaccos. Consumption of this type of cigarette increased in 1953, bucking the trend of an overall decrease in cigarette consumption due to unfavorable conditions in Finland during 1953.

Finland: Imports of Unmanufactured Tobacco
by Countries of Origin

Country	1938	1950	1951	1952	1953
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States	1,704	2,311	2,776	3,239	3,320
Greece	3,640	2,574	3,208	3,644	3,543
Turkey	1,680	1,767	1,713	1,914	2,092
U.S.S.R.	-	817	877	829	564
Brazil	-	-	267	172	179
Others	1,581	1,557	945	727	553
Total	8,605	9,026	9,786	10,525	10,251

WORLD CENTRIFUGAL SUGAR PRODUCTION DOWN ALMOST 1.1 MILLION TONS

World production of centrifugal cane and beet sugar for 1954-55 is forecast at slightly more than 39.1 million short tons, raw value, or almost 1.1 million tons below the 40.2 million tons produced in 1953-54. Such a current crop would be the second largest on record and add another sizeable increment to expanded world stocks which are now equivalent to about one-third of a year's production.

World production of non-centrifugal sugar is expected to increase to almost 6.6 million short tons, tel quel, during 1954-55, compared with 6.3 million tons during 1953-54 and 6.0 million tons during 1952-53.

World production of centrifugal cane sugar for 1954-55 is forecast approximately equal to the record 24.0 million tons of 1951-52. While the production of North America has steadily decreased since 1951-52, this decline has been offset by production increases in every other cane producing area of the world. The decline of production in North America reflects primarily the crop restrictions of Cuba since the spring of 1952 and to a lesser extent similar restrictions in Puerto Rico. Few restrictions have inhibited the increases in other areas of the Caribbean and Central America, and in most cane sugar areas of the world, production has been encouraged - particularly in the soft currency areas.

CENTRIFUGAL SUGAR (raw value): Production in specified countries, averages 1935-39, 1945-49, annual 1951-54 1/ 2/

Continent and country	Averages		1951	1952	1953	1954 3/
	1935-39	1945-49				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
NORTH AMERICA (cane and beet)						
British Honduras	1	1	3	4	4	-
Canada (beet)	76	99	133	160	131	138
Costa Rica	9	20	33	34	35	-
El Salvador	17	27	31	32	36	35
Guatemala	19	33	34	40	44	-
Honduras	2	1	7	10	11	-
Mexico	353	636	807	911	968	1,045
Nicaragua	9	21	35	38	40	-
Panama	5	11	21	20	21	-
United States (beet)	1,517	1,514	1,549	1,505	1,816	2,065
United States (cane)	474	455	419	605	630	552
Hawaii	980	861	1,020	1,099	1,092	1,090
Puerto Rico	974	1,134	1,360 4/	1,170 4/	1,190 4/	1,170
Virgin Islands of the U.S.	6	6	12	13	13	12
Antiqua	22	25	38	36	14	-
Barbados	114	121	176	169	190	-
Cuba	3,183	5,897	7,964 4/	5,687 4/	5,390 4/	5,000
Dominican Republic	491	509	648	661	700	777
Grenada	1	1	2	1	1	-
Guadeloupe	60	48	106	96	110	-
Haiti	44	49	64	63	54	-
Jamaica	119	235	299	370	407	395
Martinique	64	29	42	60	78	88
St. Kitts	36	40	57	58	56	-
St. Lucia and St. Vincent	11	11	14	16	14	-
Trinidad and Tobago	149	144	154	172	193	-
Total North America	8,736	11,928	15,028	13,030	13,238	13,140
WESTERN EUROPE (beet)						
Austria	196	46	175	146	184	190
Belgium	259	246	293	356	450	300
Denmark	260	266	394	285	416	230
Finland	13	14	23	22	40	37
France	1,078	823	1,395	1,100	1,804	1,650
Germany, West	610	524	1,169	990 5/	1,584	1,320
Ireland	89	95	100	102	144	124
Italy	414	331	825	819	855	875
Netherlands	261	270	386	465	478	440
Spain 6/	202	200	366	669	378	335
Sweden	340	311 7/	323 7/	267 7/	388 7/	364
Switzerland	13	28	33	32	36	30
United Kingdom	514	613	753	686	867	690
Yugoslavia	103	127	257	61	210	185
Total Western Europe	4,352	3,894	6,492	6,000	7,834	6,770
Total Eastern Europe	2,925	2,055	3,095	2,555	3,465	3,020

CENTRIFUGAL SUGAR (raw value): Production in specified countries, averages 1935-39, 1945-49, annual 1951-54 1/ 2/

Continent and country	Averages		1951	1952	1953	1954 3/
	1935-39	1945-49				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Total Europe	7,277	5,949	9,587	8,555	11,299	9,790
U.S.S.R. (Europe & Asia) (beet)	2,761	1,643	2,700	2,500	2,700	2,700
ASIA (beet and cane)						
Afghanistan (beet)	-	-	5	4	6	-
Burma	27	10	17	25	26	-
China incl. Manchuria 8/	87	77	72	96	86	-
India	1,303	1,319	1,901	1,700	1,320	1,500
Indochina	77	11	7	7	7	-
Indonesia	1,207	102	472	637	683	794
Iran (beet)	23	41	85	87	84	88
Japan (beet)	46	11	31	38	48	40
Pakistan	33	34	83	95	91	-
Philippines, Republic of	1,058	382	1,076	1,134	1,416	1,405
Ryukyu Islands	32	0	0	0	0	0
Syria (beet)	0	0	2	7	11	-
Taiwan (Formosa)	1,240	346	597	983	796	682
Thailand	21	28	37	40	40	-
Turkey (beet)	76	131	228	200	213	260
Total Asia (excl. U.S.S.R.)	5,230	2,492	4,613	5,053	4,827	5,060
SOUTH AMERICA (cane)						
Argentina	510	654	760	654	829	830
Bolivia	1	2	3	7	6	-
Brazil	830	1,418	1,857	2,151	2,328	2,450
British Guiana	210	198	272	269	276	-
Colombia	51	135	178	218	240	-
Ecuador	24	44	53	66	62	-
Paraguay	6	16	33	25	16	-
Peru	444	483	526	673	677	670
Surinam	15	5	7	7	8	-
Uruguay 8/	2	3	11	19	26	-
Venezuela	22	41	70	80	94	105
Total South America	2,115	2,999	3,770	4,169	4,562	4,705
AFRICA (cane)						
Angola	37	50	56	56	57	-
Belgian Congo	14	17	17	18	19	-
British East Africa	63	88	88	92	67	-
Egypt	166	211	208	247	295	275
Madagascar	14	14	17	18	20	-
Madeira and Azore Islands	9	10	11	11	11	-
Mauritius	320	351	535	517	566	569
Mozambique	81	86	92	99	102	125
Reunion	91	81	142	174	189	-
Union of South Africa	498	542	533	670	725	812
Total Africa	1,293	1,450	1,699	1,902	2,051	2,140

CENTRIFUGAL SUGAR (raw value): Production in specified countries, averages 1935-39, 1945-49, annual 1951-54 1/ 2/

Continent and country	Averages		1951	1952	1953	1954 3/
	1935-39	1945-49				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
OCEANIA (cane)						
Australia	894	830	809	1,027	1,364	1,425
Fiji	150	131	146	183	192	-
Japanese Mandated Islands	69	0	0	0	0	0
Total Oceania	1,113	961	955	1,210	1,556	1,620
World total (cane)	16,753	18,039	24,009	23,344	23,869	23,995
World total (beet)	11,772	9,383	14,343	13,075	16,364	15,160
WORLD TOTAL (beet and cane)	28,525	29,422	38,352	36,419	40,233	39,155

1/ Centrifugal sugar, as distinguished from non-centrifugal, includes cane and beet sugar produced by the centrigugal process, which is the principal kind moving in international trade. 2/ Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa etc. where the season begins in May or June of the year shown. 3/ Preliminary. 4/ Restricted crop. 5/ Includes sugar from imported beets. 6/ Includes a small amount of cane sugar. 7/ Including sugar from Danish beets processed in Sweden. 8/ Includes both cane and beet sugar.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research and other information. Estimates of countries having boundary changes have been adjusted to post war boundaries.

The 1954-55 world beet sugar production is expected to decline to 15.2 million tons from the record 16.4 million tons of last season. This decline is attributed entirely to lower production in Europe as a result of adverse weather conditions; the balance of the world maintained or increased beet sugar production. The United States crop of beet sugar is expected to reach 2.1 million tons this season, about 260,000 tons above the beet sugar quota specified in the United States Sugar Act.

Sugar surpluses increased last season by about 3 million tons, and the revitalized International Sugar Agreement (1953) was put to the test in the stabilization of world prices which had declined steadily from the post-war peak of 8.05 cents in June 1951 to a post-war low of 3.05 cents in November 1953. Vigorous action by the International Sugar Council during the first half of 1954 (which lowered to a minimum the export quotas for the world free market) and voluntary withholding action by Cuba combined to stabilize world prices at or about 3.25 cents per pound from September 24 to date. This price for sugar represents the minimum of the price range specified under the Agreement (3.25 - 4.35 cents per pound, f.a.s., Cuban port).

NON-CENTRIFUGAL SUGAR: Production in specified countries averages 1935-39, 1945-49, annual 1951-54 1/ 2/

Continent and country	Averages		1951	1952	1953	1954 3/
	1935-39	1945-49				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
NORTH AMERICA						
Costa Rica	15	36	33	33	33	-
El Salvador	17	27	10	10	10	-
Guatemala	31	35	30	51	51	-
Honduras	15	21	23	23	23	-
Mexico	83	174	165	132	165	165
Nicaragua	7	14	25	25	25	-
Panama	2	9	11	11	11	-
Total North America	170	316	297	285	318	318
ASIA						
Burma	86	74	84	90	90	-
China	350	307	287	384	344	-
India	2,954	3,308	3,675	2,900	2,900	3,200
Indonesia	81	40	115	220	275	-
Japan	4	14	14	14	10	-
Pakistan	710	575	730	915	1,060	-
Philippines, Republic of	63	44	50	50	50	-
Ryukyu Islands	90	4	19	20	20	-
Taiwan (Formosa)	32	6	12	21	13	13
Thailand	17	22	21	21	21	-
Total Asia	4,387	4,394	5,007	4,635	4,783	5,069
SOUTH AMERICA						
Brazil	370	395	300	300	330	-
Colombia	420	755	838	660	720	-
Ecuador	15	18	25	32	32	-
Peru	9	25	26	27	26	26
Venezuela	60	110	110	110	110	-
Total South America	874	1,303	1,299	1,129	1,218	1,198
WORLD TOTAL	5,431	6,013	6,603	6,049	6,319	6,585

1/ Non-centrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption in the relatively few areas where produced. The estimates include such kinds known as piloncillo, panelo, papelon, chancaca, rapadura, jaggery, gur, muscovado, panocha, etc. 2/ Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year except in certain cane-sugar-producing countries in the Southern Hemisphere, where the season begins in May or June of the year shown. 3/ Preliminary.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research and other information. Estimates of countries having boundary changes have been adjusted to post war boundaries.

REDUCTION IN FORECAST OF SPANISH TABLE OLIVE PACK

More recent though still preliminary estimates received from Spain of the 1954-55 pickled olive pack indicate a smaller pack than was forecast earlier. Production for export to North America is now estimated at 48,500 short tons. The 1953-54 pack amounted to 38,000 tons.

GREECE AS A MARKET FOR U.S. SEEDS

The market for seeds in Greece is small compared with that in other European countries, according to W. H. Youngman, Foreign Agricultural Service seed marketing specialist reporting from Athens. An elaborate system of experiment stations test all new varieties and only those best adapted to the climate and soils of each area are recommended for procurement. The lists are published by the Ministry of Agriculture and distributed to agricultural agents and to the branches of the Agricultural Bank of Greece. This system insures adapted, productive varieties for the farmers.

While Greece is small in area, there is intense cultivation by farmers with small holdings, so small, in fact, that sound land management is difficult to practice. Nevertheless, the crop yields are being well maintained through the use of improved varieties of wheat, cotton, and corn produced by the experiment stations and distributed to the farmers.

The long dry, usually rainless, summers over much of the country presents a problem for the producers of hay and forage crops which are very important to the livestock industry. An intensive program is underway to meet this situation. Hybrid corn is one phase in the irrigated sections; alfalfa, burnet and other drought resistant feed crops are being expanded, and together with the technical assistance programs for pasture management, considerable improvement is expected. The dairy and livestock industries of Greece should be greatly expanded if they are adequately to meet the needs of the country.

The Agricultural Bank of Greece is the principal seed importing agency. The bank issues invitations to bid for specific qualities of specified varieties and origins of seeds, after consulting with the Ministry of Agriculture. The lowest bidder usually receives the order. Because of this system there are several firms in Athens who are agents for seed firms of other countries, including United States seedsmen.

Private seed merchants handle some locally produced seeds, but for the most part deal only in vegetable and flower seeds and bulbs, which they import in small quantities.

PHILIPPINE RICE SUPPLIES

The 1954-55 rice crop of the Philippines on October 1 was forecast at 3,143,000 metric tons (6,930 million pounds) of rough rice in an estimate based on a survey of rice plantings made by the Philippine Department of Agriculture. This is 1.2 percent less than the revised crop of 3,182,000 metric tons (7,015 million pounds) in 1953-54. Late-October estimates of trade sources are between 5 and 10 percent below the production of 1953-54. The crop is harvested mainly in December.

The acreage planted in rice as reported on October 1 indicated a 6 percent reduction compared with the year before. This decrease is attributed primarily to drought. In some provinces, other factors, such as floods and army worms, contributed to a decrease in production.

In many areas replantings were necessary because of the late rains. When early-season prospects pointed to a possible considerable decline in the 1954-55 crop, rice prices began to rise. This resulted in plans for the increasing of supplies and the lowering of rice prices, and the official importation of relatively large amounts of rice.

In order to reduce the retail price of rice to consumers, the President of the Philippines has taken several measures, including (1) appointing a rice committee, headed by the Secretary of Agriculture and Natural Resources, to develop a program of country-wide direct buying of rough rice especially from small farmers; (2) revamping the board of directors of NARIC (National Rice and Corn Corporation), appointing as one new member of the board the general administrator of the Agricultural Credit and Cooperative Financing Administration; (3) repossessing some 14,000 metric tons (1 metric ton = 2,204.6 pounds) of an original 32,000 metric tons of rice that NARIC had sold to a local firm as unfit for human consumption, and from this amount selling to consumers at $5.96 per 100 pounds about 2,000 metric tons found to be edible; and (4) securing Cabinet authorization to import 100,000 metric tons of rice for sale to consumers at $4.97 per 100 pounds.

On July 1, 1954, NARIC had in stock 14,000 metric tons of imported rice, and NARIC and ACCFA (Agricultural Credit and Cooperative Financing Administration) combined had in storage approximately 12,850 tons of locally produced paddy.

Average retail prices for Macan, first class, declined from $15.40 per 100 pounds in 1948 to $9.04 in 1953. At this price, the average annual price in 1953 was $1.41 per 100 pounds less than in 1952. Retail prices of Macan rice were lower during the first months of 1954 than at any period during the postwar years.

PHILIPPINES: Average wholesale and retail prices in Manila of Macan rice (first and second classes) per 100 pounds annual 1949-53, by months, January-August, 1953 and 1954

Year and month	Wholesale		Retail	
	First Class	Second Class	First Class	Second Class
	Dollars	Dollars	Dollars	Dollars
1949	10.31	10.12	13.33	12.52
1950	8.59	8.33	10.32	10.23
1951	10.27	10.08	11.91	10.73
1952	9.76	9.51	11.23	10.93
1953	7.55	7.48	9.04	8.64
January	7.78	7.68	10.63	10.23
February	7.52	7.79	9.44	8.94
March	7.37	7.20	9.24	8.84
April	7.47	7.36	8.45	8.45
May	7.44	7.34	8.84	8.45
June	7.50	7.40	8.84	8.45
July	7.50	7.40	8.84	8.45
August	7.56	7.46	8.84	8.45
1954				
January	6.47	6.37	8.35	7.95
February	6.26	6.16	7.75	7.25
March	6.27	6.17	7.75	7.25
April	6.82	6.73	7.95	7.45
May	7.14	7.04	8.45	7.95
June	7.51	7.42	8.74	8.25
July	7.75	7.67	9.14	8.64
August	8.22	8.08	9.54	8.94

Recent trends of declining rice prices, higher wage rates, and decreasing food costs are factors that combine to promote an increase in the per capita and total consumption of rice. Lower prices for rice in 1953 and 1954 compared with 1952 had a favorable effect upon wage earners' food budgets, which had an average index of 347 in 1952 (1941 = 100) and 316 in 1953. In February and March 1954, the index stood at 294. At the same time from 1952 to early 1954, real wages of skilled and unskilled workers increased 14 and 13 percent, respectively.--Based in part upon a report on the rice situation in the Philippines, by C. F. Clayton, Agricultural Economist.

NEW ZEALAND'S MARKETING SITUATION

Dairy production in New Zealand during the current season is running at approximately the same level as a year ago. Creamery butter production in the first quarter of the new season showed practically no change from last year. Except for nonfat dry milk solids, output of all other dairy products was above that of last year.

As noted earlier (see Foreign Crops and Markets for July 19 and September 6), the New Zealand dairy industry will be marketing its output this season without the stability in price and the assurance of acceptances provided by the bulk purchase contract with the United Kingdom which was terminated on July 31, 1954. The Dairy Products Marketing Commission which controls all sales of New Zealand dairy products is still engaged in feeling out the United Kingdom market. At the present time, sales of New Zealand first grade creamery butter are being made in London at 46.2 cents per pound and cheddar cheese at 22.5 cents per pound. While the butter market is reported as steady, New Zealand officials continue to be concerned over the outlook for cheese.

Shipments of milk powder to the United Kingdom have been made either on a consignment basis for sale through Milk Products, Limited, the Marketing Commission's own distributor, or direct to the Ministry of Food.

In sales outside the United Kingdom, the Marketing Commission has been quoting butter at 42.0 cents per pound, cheese at 22.5 per pound, and nonfat dry milk solids, spray process, at 8.7 cents per pound, all f.o.b. New Zealand. These quotations have been steady during recent weeks.

While the emphasis on export sales will, as in the past, be centered on the United Kingdom, exports to the Caribbean area, quota shipments to the United States, and small exports to other markets will be continued and expanded where possible. Sales of butter to the Soviet Union are being made again this year, and so far have been in excess of 19 million pounds, with the expectation of further sales. The Commission is also seeking a Russian market for cheddar cheese. It has been reported that about 1 million pounds of butter have been sold to Czechoslovakia.

SWITZERLAND'S 1953-54 COTTON CONSUMPTION NEAR PEAK LEVEL

Cotton consumption by Swiss spinning mills totaled 163,000 bales (of 500 pounds gross) during the marketing year 1953-54. This rate of consumption represents an 11 percent increase over the previous year and is almost as high as the record postwar consumption of 168,000 bales in 1950-51.

Cotton imports into Switzerland in 1953-54 totaled 168,000 bales, an increase of almost 10 percent over imports in the previous year. Egypt was again the major supplier with a 40 percent share in total cotton imports. The main changes in sources of supply were decreases in imports from the United States and Syria and increases in the imports from Brazil, Mexico and Peru. The following table shows cotton imports for 1953-54 by country of origin, with comparative data for recent years.

SWITZERLAND: Imports of cotton from major countries of origin; average 1945-49; annual 1951-53

(Equivalent bales of 500 pounds gross)

Country of origin	Year beginning August 1			
	Average 1945-49	1951	1952	1953
	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Anglo-Egyptian Sudan	1/ 0.9	4.9	1.3	1.2
Belgian Congo	4.5	1.7	.6	1.6
Brazil	17.6	.3	.5	8.5
Egypt	31.2	29.3	67.7	68.0
India and Pakistan	5.4	2.3	1.9	1.4
Mexico	7.0	10.0	13.8	21.7
Paraguay	6.1	.2	1.3	1.5
Peru	29.5	16.8	20.1	25.4
Syria	1/ .5	1.4	8.7	1.3
United States	29.9	88.3	35.0	28.8
Other countries	5.3	2.4	3.0	9.1
Total	137.9	157.6	153.9	168.5

1/ 3 year average.

Source: *Statistique Mensuelle du Commerce Exterieur* and official reports.

The outlook for the cotton industry in 1954-55 is considered favorable and mill consumption will probably hold near the levels maintained during the last 3 years. Both importers and spinners are agreed that price will be a major factor in determining choice of cotton from different sources. It is reported that mills using Egyptian and Peruvian cotton have already acquired sufficient stocks of such cotton to cover requirements for the current season. If the present price relationship favorable to United States cotton continues, it should be possible for the United States to increase its share in Switzerland's cotton imports.

SWITZERLAND HAS STABLE FATS AND OILS SITUATION

The present edible fats and oils situation in Switzerland is characterized by stability, according to information available to the Foreign Agricultural Service.

Stocks of edible fats and oils have been built up to safe levels and are now remaining quite constant. Domestic production and imports are also showing much stability. The supply and disappearance picture for the 1953-54 crop year, beginning August 1, with a forecast for 1954-55 is presented in the following table:

SWITZERLAND: Edible fats and oils supply and dissappearance for 1953-54 and forecasts for 1954-55

(Short tons)

	1953-54 (Aug. 1-July 31)	1954-55 (Aug. 1-July 31)
Total production 1/	44,100	44,100
Net imports in processed form 2/	15,000	14,300
Supply	59,100	58,400
Consumption	58,000	58,400
Change in stocks	1,100	0
Disappearance	59,100	58,400

1/ Domestic lard and edible tallow; oils produced from home grown products; lard and tallow obtained from imported livestock slaughtered in Switzerland; also, edible oils manufactured within the country from imported raw products, such as copra, peanuts and others. 2/ Edible fats and oils, lard and tallow and other similar products imported in processed form. Butter is not included in either production or foreign trade data.

Production of edible fats and oils in Switzerland, from both domestic and imported raw materials, changed little since 1951. Net imports, in processed form, during 1953-54, were about 10 percent greater than the 1951-53 average.

There has been some tendency in Switzerland to replace animal fats by vegetable products in recent years. However, the consumption of margarine has not made the inroads on butter that it has in other countries. The production of butter in 1953-54 was more than 20 percent higher than its average production during the 3 preceding years.

PHILIPPINE USE OF COCONUT OIL FOR FOOD INCREASING: PEANUT OUTPUT TO EXPAND

Philippine consumption of coconut oil for food purposes in 1954 is estimated preliminarily at 50,400 short tons, an increase of around 13,650 tons from 1953, reports H. V. Geib, Agricultural Attache, American Embassy, Manila. This quantity consists only of edible coconut oil and the quantities used in vegetable butter and shortening manufactured from coconut oil. Production of copra and coconut oil for export or as raw material for the making of soap and other nonedible products is not included. The total quantity of coconut oil utilized in the Philippines in 1953 for all purposes is estimated at about 86,000 tons. (See Foreign Crops and Markets of October 4, 1954, page 388.)

Consumption of fresh coconuts in 1954 is estimated roughly at 150,000 tons. Coconuts consumed as food in the Philippines are usually eaten raw or made into vegetable salad.

Production of shelled peanuts in 1954 is estimated at 14,300 tons, or about the same as in 1953. Estimated consumption this year is 12,850 tons, principally as nuts. An insignificant quantity is crushed and used as oil. The Government is encouraging growers to increase output of peanuts with a view to increasing foreign demand. Production of peanuts in 1955 is forecast at 19,300 tons.

Production and consumption of other vegetable oils, and animal fats and oils in the Philippines are negligible.

ITALIAN EDIBLE FATS AND OILS SUPPLY IS SHORT

Imports of oilseeds into Italy in 1954-55 probably will be greater than last year, report E. S. Fox and H. K. Ferguson, American Embassy, Rome. Supplies of edible fats and oils from domestic production in Italy for 1954-55 are smaller than last year. In fact, these supplies are estimated to be almost 140,000 short tons less on the basis of usual imports.

The main reason for the sizable reduction in supplies from domestic production of edible fats and oils is that the expected production of oil from the 1954 olive crop is officially estimated to be less than three-fifths as large as last year. And although the Government has rather large stocks of seed oil, it has been hesitant in depleting its stocks too rapidly. Thus, imports of seed oils should be up in 1954-55 as may be seen from the following table:

ITALY: Production, trade and uses of edible fats and oils, crop years 1953-54 and 1954-55

(1,000 short tons)

Edible fats and oils	1953-54			1954-55 1/		
	Production	Net Trade 2/	Available for food	Production	Net Trade 2/	Available for food
Olive oil	380	+7	387	220	+11	231
Other vegetable oil 3/	43	+12	55	55	+11	66
Animal fats, excluding butter	165	+22	187	176	+22	198
Butter (product weight)	65	+ 9	74	64	+11	75
Total	653	+50	703	515	+55	570

1/ Estimated. 2/ For period July 1 to June 30; plus (+) sign indicates net imports. 3/ Oil manufactured from domestic and imported oilseeds.

Source: American Embassy.

With a general rise in incomes in Italy since World War II, there has been an upward trend in the per capita consumption of edible fats and oils. If this trend is to continue into 1954-55, the domestic supplies of edible fats and oils will have to be supplemented by increased imports. In most years, Italy's imports of these are significant. Thus, Italy may be a better-than-usual market for edible oils or oilseeds during the current marketing year.

While the Government forecasts olive oil production at 220,000 short tons, the trade is not in complete agreement with this figure. Private estimates range from about 165,000 to 230,000 short tons.

MALAYA'S EDIBLE OIL CONSUMPTION UP IN 1954

Supplies of edible oils for domestic consumption in Malaya during 1954, including net imports and local production, are estimated preliminarily at about 85,000 short tons, compared to 77,000 tons in 1953, according to information available to the Foreign Agricultural Service. Part of the increase is due to larger imports of oleaginous seeds, from which oil is produced locally, and part is the result of a larger supply of domestically raised oil-bearing materials. The 1954 supply figure indicates an annual per capita consumption of edible oils of about 24 pounds.

The trade estimates that a net total of about 12,880 tons of oilseeds for edible oil purposes was imported into Malaya during the first 6 months of 1954. Net imports of edible oil during the same period amounted to 2,864 tons, of which about 1,680 tons were used for food and the balance utilized for industrial purposes.

There is considerable local production of palm oil, coconut oil and fish oil, part of which is used for food. Recent data regarding Malayan palm and coconut oils were published, respectively, in the November 8 and 15, 1954, issues of Foreign Crops and Markets.

MEXICO'S COTTONSEED, SESAME PRODUCTION UP, FLAXSEED DOWN

Latest information regarding Mexico's 1954 oilseed crops shows cottonseed and sesame up from previous estimates, while the forecast for flaxseed has been reduced, reports Paul G. Minneman, Agricultural Attache, American Embassy, Mexico City. Due to the large cotton crop, commercial cottonseed output is now estimated at 594,000 short tons. This is 8 percent above the preceding forecast for 1954 and nearly one-fourth larger than the 478,000 tons produced in 1953. The estimate for sesame has been raised by 19 percent to 105,000 tons, or substantially above the 1953 outturn of 82,700 tons. (See Foreign Agriculture Circular FFO 11-54, July 12, 1954.)

Drought in some of the producing areas is largely the reason for lowering the flaxseed forecast to 787,000 bushels, but the overall decrease from the 1,220,000 bushels produced in 1953 is due partly to a reduction in acreage. No change was indicated in the copra estimate of 88,000 tons, but production of peanuts is now estimated at a record 88,000 tons.

Imports of fats, oils and oilseeds into Mexico during January-September 1954 included 6,571 tons of lard, 28,154 tons of other animal fats (mainly tallow), 5,801 tons of cottonseed, and 9,410 tons of cottonseed oil. In the same period, Mexico exported 2,912 tons of unshelled peanuts, 12,606 tons of shelled peanuts and 114,732 tons of cottonseed meal. In a recent decree the Ministry of Economy established a maximum quota of 10,000 metric tons of copra for export, of which 70 percent was allotted to agrarian communities and 30 percent to private growers (1 metric ton = 1.1023 short tons).

Average wholesale prices in Mexico City of selected fats, oils, and oilseeds, in October 1954 (converted from pesos to U. S. currency at the rate of 1 peso = 8.0048 cents) were: Lard, domestic-16.8 cents per pound; lard, imported (at Laredo)-22.0 cents; coconut oil-10.3 cents; linseed oil-18.4 cents; crude cottonseed oil (at Torreon, September average)-10.9 cents; sesame seed-$129 per short ton; peanuts-$86; copra-$122; palm nuts-$130; cottonseed (at Torreon, September average)-$38 per ton; and flaxseed-$3.05 per bushel.

SYRIAN FATS AND OILS SITUATION IN 1954

Though imports of margarine and vegetable oils except for industrial use are now prohibited, and domestic output is sufficient to supply most of Syria's requirements, there is some possibility that a small additional quantity of some fats and oils could be marketed there, reports Agricultural Attache E. R. Raymond, American Embassy, Damascus.

Syrian requirements for edible fats and oils in 1954 have been mostly fulfilled with locally produced samneh (a clarified butter oil--5,300 short tons), cottonseed oil (6,600 tons), olive oil (3,860 tons), sesame seed oil (3,600 tons), and tallow. Local production of industrial crops included cottonseed (132,300 tons), hempseed (1,100 tons), apricot kernels (2,750 tons), flaxseed (880 tons), and aniseed (495 tons). Domestic production was supplemented with small imports of olive oil, flaxseed, margarine, copra, and fatty acids--for use mainly in soap and paints--with only a small fraction of the products supplied by the United States. A relatively small quantity of cottonseed, cottonseed oil, and apricot kernels were exported in 1954.

SPAIN'S OLIVE OIL PRODUCTION MAY BE THE SECOND LOWEST IN 50 YEARS

Spain's olive oil production from the 1954 olive crop may range from 85,000 to 140,000 short tons, according to the latest information available to the Foreign Agricultural Service. From conditions observed in the major olive producing areas, it seems possible that oil production might be near the lower level indicated. This volume of production would be the second lowest in the last 50 years, exceeding only the 1912-13 season when about 70,000 tons of oil were produced.

It now appears that the damage caused by the February freeze (see Foreign Agriculture Report No. 80, entitled Prospects for Olive Crops in Spain Since the Snows and Freeze of February 1954, dated May 1954) was more extensive than was originally estimated. Moreover, many regions of olive production were severely damaged by the prolonged drought in October. And in many areas where the crop had "set", a large percentage of the fruit has been subject to insect damage.

The tree-killing freeze of February affected most severely the valley groves which, being in deep soil and with large acreages irrigated, were the most reliable and consistent producers of olive oil crops in Spain. These frost-damaged areas produced a consistently higher percentage of Spain's olive oil than their comparative importance on an acreage basis would indicate. It reportedly will require 10 to 15 years for these trees to recover fairly normal production, and there is a good possibility that the damaged areas will not produce normal crops even then for it is expected that many of the trees will be permanently weakened by the 1954 freeze damage. The damage will be an important factor in limiting Spain's olive oil production for the next decade.

WORLD COTTONSEED PRODUCTION EXPECTED TO BE DOWN

World production of cottonseed during 1954-55 is tentatively forecast by the Foreign Agricultural Service at 16.9 million short tons, on the basis of the preliminary estimate of lint production. 1/ This volume of seed would represent a decline of 5 percent from the 1953-54 estimate, now revised to 17.9 million tons, and would be virtually the same as the estimated production of 1952-53.

The anticipated decline from 1953-54 in cottonseed production is due largely to the sharp drop in United States cotton production. Normally, the United States accounts for well over one-third of the world total. China's production also probably is down. With a few exceptions, output in most other important cotton-producing countries of the world is expected to show some increase from last year. Outstanding among these are India, Mexico, Brazil and Egypt.

North American cottonseed production may drop about 16 percent as a result of the estimated decline in United States production. The Agricultural Marketing Service of the U. S. Department of Agriculture reports that if the ratio of lint to cottonseed for the 1954 crop in the United States is the same as the average for the past 5 years, production of seed would be 5.4 million tons, a decrease of one-fifth from the 1953 crop of 6.7 million tons. Cotton production in the United States declined mainly as a result of acreage restrictions. A large cotton crop was produced in Mexico this year and seed output is expected to increase one-fourth from last year's volume.

1/ See Foreign Crops and Markets, October 18, 1954, page 439. Production in the United States, however, is based on the November 1 estimate of lint production.

COTTONSEED: Production in specified countries and the world, averages 1935-39 and 1945-49, annual 1951-54

Continent and country	Year beginning August 1 1/					
	Average		1951	1952	1953 2/	1954 2/
	1935-39	1945-49				
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
NORTH AMERICA						
El Salvador	2	10	20	22	26	29
Mexico	160	277	611	600	581	720
United States	5,554	4,873	6,286	6,190	6,748	5,419
Haiti	12	6	4	4	4	-
Total 3/	5,735	5,175	6,960	6,865	7,435	6,260
EUROPE						
Greece	39	27	66	57	71	81
Italy	11	6	13	17	19	19
Spain	5	9	14	31	36	34
Bulgaria 4/	19	11	-	-	-	-
Rumania 4/	1	-	10	-	-	-
Total 3/	75	65	115	130	165	175
U.S.S.R. (Europe and Asia)	1,640	1,117	-	-	-	-
ASIA						
Iran	91	45	66	88	123	111
Syria	15	17	120	111	117	147
Turkey	126	137	306	352	306	306
Afghanistan	27	9	30	35	34	22
Burma	54	18	42	62	53	45
China (incl. Manchuria)	1,593	1,086	1,680	1,624	1,792	1,652
India	5/ 2,984	1,290	1,764	1,683	2,089	2,184
Indonesia	5	2	-	-	2	-
Pakistan	5/	522	683	778	620	612
Korea 6/	101	45	51	38	-	-
Thailand	4	14	15	17	21	-
Total (excl. U.S.S.R.) 3/	5,015	3,195	4,795	4,810	5,220	5,180
SOUTH AMERICA						
Argentina	147	218	296	293	306	306
Brazil	935	649	936	749	703	816
Colombia	12	14	25	27	48	71
Paraguay	20	24	37	27	32	-
Peru	202	164	229	240	236	251
Venezuela	6	6	9	6	7	10
Total 3/	1,330	1,080	1,540	1,350	1,340	1,495
AFRICA AND OCEANIA						
Anglo-Egyptian Sudan	132	131	152	206	214	-
Belgian Congo	87	99	122	106	112	-
Tanganyika	25	19	20	33	21	34
Uganda	143	116	161	136	169	163
Egypt	1,007	778	890	1,093	780	854
French Equatorial Africa	22	53	74	66	66	-
French West Africa	16	7	18	18	20	-
Mozambique	7/ 18	53	71	94	74	77
Nigeria	19	24	56	46	69	69
Angola	7	12	11	15	16	15
Australia	5	-	1	2	1	-
Total 3/	1,500	1,305	1,620	1,860	1,580	1,670
World total	15,295	11,940	16,945	16,930	17,900	16,935

1/ Years shown refer to years of harvest. 2/ Preliminary. 3/ Includes estimates for the above countries for which data are not available and for minor producing countries. 4/ Figures from 1943 to date are not comparable with prewar figures because of boundary changes. 5/ 1935-39 figure for India includes Pakistan. 6/ Figures from 1941 to date are for South Korea only. 7/ Exports.

Foreign Agricultural Service. United States figures were compiled from official records; figures for other countries were calculated from lint-production estimates.

Cottonseed production in Asia probably will be slightly less than the outturn from the 1953 crop. China's output is believed to be down substantially--from an estimated 1.8 million tons to around 1.7 million. On the other hand, India's larger cotton acreage resulted in an estimated increase in cottonseed production of 5 percent. Seed output is placed at 2.2 million tons compared with 1.2 million last year. In Syria seed production is expected to be up one-fourth, while some decline is foreseen in Pakistan, Iran and Burma.

A pre-season forecast of South American production shows an increase of possibly 12 percent, accounted for largely by the expectation of a substantial increase in Brazil and a somewhat larger crop in Peru.

Production in Africa likely will increase possibly 7 percent mainly because of the larger cotton crop foreseen in Egypt, the major producer. As a result of the sharp increase in cotton acreage, Egypt's seed production is expected to be up almost 10 percent.

CANADA'S PRODUCTION IN 1954 OF OILSEED CROPS EXCEEDS 1953 LEVEL

The 1954 Canadian production of flaxseed, soybeans, rapeseed and sunflower seed exceeded that of 1953, according to the American Embassy, Ottawa. The increase for each of these crops is: flaxseed--14 percent; soybeans--16; rapeseed--57; and sunflower seed--over 230 percent.

Most of this increased production of these oilseed crops is the result of substantial increases in acreage seeded, according to the Dominion Bureau of Statistics. For instance, the seeded flaxseed acreage increased from 972,000 acres in 1953 to 1,206,000 in 1954; average yields dropped slightly from 10.2 to 9.4 bushels per acre.

Soybean production in Canada set a new record of 5.1 million bushels, compared with last year's previous high of 4.4 million. Production of sunflower seed in Manitoba, currently the only province growing this crop commercially, is estimated at 13 million pounds, more than 3 times the 1953 crop of 4 million. The seeded acreage increased from 4,500 acres in 1953 to 20,000 in 1954.

Very little linseed oil has been exported from Canada since the price of that commodity on the international market fell to its recent low level. Since early 1954 Canadian producers of linseed oil have been crushing only about enough flaxseed to supply current domestic requirements of linseed oil. The price of flaxseed on the international market did not fall as sharply as the price of linseed oil. Flaxseed prices were bolstered by the fairly strong demand for linseed oilcake in European countries. Belgium, Japan, France and the United Kingdom, in that order, were the largest export markets for Canadian flaxseed in 1953-54.

About 72,000 tons of soybean oilcake were exported during 1953-54 and somewhat more than 40,000 tons were imported.

The 1954 rapeseed crop, estimated at 40.5 million pounds, is up 57 percent over the 1953 estimate (revised) of 25.9 million pounds. It is second only to the record 64.0 million pounds harvested in 1948. The export market for rapeseed oil appears to be its most important outlet, with the United States being the main recipient.

At average extraction rates, the 1954 sunflower production could be expected to yield somewhat more than 3 million pounds of edible vegetable oil and almost 4 million pounds of oilcake meal. The domestic market is likely to absorb all the oil and meal production.

NETHERLANDS TO IMPORT MORE OILSEEDS IN 1954-55

The Netherlands--an important trader--will import about 386,000 short tons of oilseeds in the year 1954-55, according to information available to the Foreign Agricultural Service. This represents an increase of almost 90,000 tons over 1953-54.

Requirements of edible fats and oils are filled both from domestic production and from imports abroad. However, margarine, which represents more than half of the total fat consumption of the Netherlands, is largely manufactured from imported oil-bearing materials and from whale oil. Some of the latter is produced by the Dutch whaling fleet and some is purchased from other producing countries.

The fats and oils situation of the Netherlands may best be seen by reviewing briefly the data contained in the following table:

NETHERLANDS: Supply and disposition of fats and oils,
July 1, 1953 through June 30, 1954

(1,000 short tons)

Fats and oils	Production	Imports	Exports	Total Supply	Non-food use	Net for food
Vegetable oils from:						
Domestic seeds	6	298	220	314	66	248
Imported seeds	165					
Marine oils	17					
Lard, tallow, etc.	50					
Fat in fatbacks	55	-	11	44	11	33
Butter (fat equivalent)	78	-	52	26	-	26
Total	371	298	283	384	77	307

Source: American Embassy.

It is evident from these data that the Netherlands is both an important importer and exporter of fats and oils, as well as a producer of sizable quantities domestically. It is anticipated that margarine production for 1954-55 may amount to almost 150,000 short tons, as compared with about 94,000 tons of butter, of which some 64,000 tons will be exported.

Domestic consumption of margarine is expected to be more than 3 times greater than butter. This trend toward an increased margarine consumption has previously been encouraged by a Government subsidy.

With a continuation of favorable growing weather, and the Dutch exchange and currency situation being very favorable, the Netherlands will continue to maintain a reasonably high level of consumption of fats and oils. In fact, there may be some stockpiling of edible oils.

ITALIAN COTTON CONSUMPTION INCREASES SLIGHTLY FROM 1952-53 BUT IMPORTS DECLINE

Consumption of cotton by Italian mills in August-July 1953-54 amounted to 872,000 bales (500 pounds gross) or about 1 percent more than the 860,000 bales consumed in the previous year, according to R. W. Tucker and A. C. Cizauskas, American Consulate General, Milan. Imports during this period, however, declined about 4 percent from 773,000 bales in the year 1952-53 to 744,000 bales in 1953-54.

As a result of this imbalance between imports and consumption, cotton stocks in Italy declined from 350,000 bales held on August 1, 1953, to 254,000 bales on July 31, 1954. The latter figure represented an approximate 3-month supply, as compared with traditional stocks averaging between 4½ to 5 month's supply. Stocks of United States cotton declined from 138,000 bales on August 1, 1953, to 94,000 bales a year later.

ITALY: Imports of cotton from major countries of origin; averages 1934-38 and 1945-49; annual 1950-53

(Equivalent bales of 500 pounds gross)

Country of Origin	Year beginning August 1					
	Averages					
	1934-38	1945-49	1950 1/	1951	1952	1953
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Brazil.............	24	100	3	3	2/	92
Egypt..............	126	142	176	101	172	118
India..............	92	33	3	13	14	4
Mexico............3/	1	17	50	30	13	6
Pakistan...........	4/	4/	80	48	34	62
Peru..............5/	3	8	2/	1	1	3
Turkey............3/	14	2/	2/	7	87	97
United States......	416	457	549	594	390	233
Other countries....	28	34	6/ 157	46	62	7/ 129
Total..........	704	791	1,018	843	773	744

1/ July 15, 1950 through August 31, 1951 only available figures. 2/ If any, included in "Other countries". 3/ Calendar years prior to 1937-38. 4/ Included in India. 5/ Calendar years prior to 1936-37. 6/ Argentina 40. 7/ Br. E. Africa 20, Sudan 31, U.S.S.R. 19.

Source: Statistica del Commercio con L'Estero and official reports.

Imports of United States cotton dropped from 390,000 bales or 50 percent of the total in 1952-53 to 233,000 bales or 31 percent of the total in 1953-54. Reduced imports of United States cotton were attributed primarily to the scarcity of dollars. Practically all of the imports of United States cotton were financed by the Foreign Operations Administration, which allocated $45 million for this purpose. Late in the season the Italian Government allocated $15 million in "free" dollars for the purchase of United States cotton, but most of this was later deferred to the 1954-55 crop year in anticipation of a drop in prices.

Italy's consumption of United States cotton dropped from 503,000 bales or 59 percent of the total for all growths in 1952-53 to only 364,000 bales or 42 percent of the total consumption in 1953-54. This represents the lowest consumption of United States cotton in Italy since 1948-49.

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TRADE DEVELOPMENTS IN FOREIGN COUNTRIES

Brazilian Coffee Export Bonus Frozen: Brazilian Superintendency Money and Credit has issued instruction 109 freezing total export bonus on coffee at 13.14 cruzeiros per United States dollar, thereby making the effective rate 31.50 cruzeiros. This ends the flexible bonus introduced August 14 by instruction 99 (reported in Foreign Crops and Markets August 23, 1954). The minimum export price is now equivalent to 64.50 United States cents per f.o.b. Authorities allege this move is necessary on account of the erratic free market rate fluctuations and consequent uncertainties in coffee price situation.

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Washington 25, D. C.

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